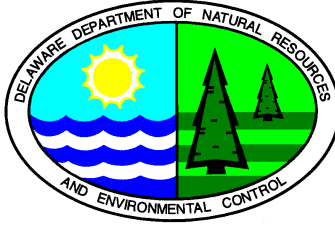


Delaware Energy Efficiency Investment Fund Energy Efficiency Projects Solicitation



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Division of Energy & Climate
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**Date Issued: December 10, 2013
Application Deadline: January 31, 2014**

Questions or clarifications about this program solicitation can be sent to:

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This solicitation is available on the following website:

www.dnrec.delaware.gov/energy

Section 1: Background

The Energy Efficiency Investment Fund (EEIF) was created to help Delaware businesses make strategic investments in capital equipment and facility upgrades that will help reduce operating costs, lower energy consumption, and improve environmental performance. EEIF supports projects that reduce fossil fuel energy consumption in buildings, promote energy efficiency and conservation in buildings, create and retain jobs, and stimulate economic development. The program offers competitively awarded grants.

The Energy Efficiency Investment Fund is capitalized annually with \$5 million in public utility tax receipts. The Fund is administered through the Department of Natural Resources and Environmental Control's Division of Energy and Climate (DE&C).

Section 2: Eligibility

2.1 Applicant Eligibility

Eligible applicants of the Energy Efficiency Investment Fund program are non-residential electric or natural gas consumers located in Delaware that pay the Delaware Public Utility Tax. For more information on who pays the public utility tax, please see: <http://delcode.delaware.gov/title30/c055/index.shtml>

Applicants are required to submit a copy of their utility bill with the application to verify payment of the public utility tax.

2.2 Eligible Projects

Installation of energy efficiency projects that achieve a simple payback of not more than ten years and not less than one year.

Efficiency measures include but are not limited to:

- Efficiency improvements to thermal barrier, mechanical insulation, HVAC, lighting, and controls
- Efficiency improvements to process equipment such as air compressors, motors, pumps, variable frequency drives;
- Retro-commissioning.

2.3 Ineligible Projects

The following projects are not eligible for funding under this incentive program:

1. Projects involving measures that are required by state or federal law or local building or energy codes, or are deemed by DE&C to be standard industry practice measures.

2. Projects for which the customer has completed prior to the program solicitation issue date. Applicant must provide an explanation why the project would not proceed without public funds.
3. Measures that rely solely on human behavior changes or facility maintenance.
4. Feasibility studies.
5. Power quality, power factor, and power conditioning projects.

Section 3: Project Requirements

3.1 Minimum project requirements

1. Projects must be installed on property located in Delaware and owned or leased by the applicant.
2. Energy efficiency measures must be justified by an energy audit, energy model or in-depth assessment. The audit/ analysis must have been completed within the previous six months unless otherwise approved by the EEIF Program Manager. Applicants seeking technical assistance through an energy audit can apply for EEIF Energy Assessment Grants.
3. Projects are required to comply with all applicable local, state, and federal laws and codes and applicants must secure any necessary permits.
4. Applicants are required to provide a project implementation schedule not exceeding 12 months from the date of project commencement unless agreed otherwise in writing by the EEIF Program Manager.

Section 4: Award Criteria

4.1 Project Selection Criteria

Applications for project funding will be competitively awarded based on five key selection criteria. Applications for grants will be ranked based upon anticipated performance of the following criteria:

1. **Energy Savings (40 points):** The reduction in energy consumption and energy savings per dollar invested
2. **Environmental Benefits (25 points):** quantifiable improvements in environmental performance, measured by percentage reductions in air emissions, water consumption, water pollution, waste, etc.;
3. **Resource Adequacy and Project Readiness (20 points):** demonstration of financial commitment, management, and readiness to complete project within 12 months of an award;

4. **Job Creation (15 points):** projected construction jobs created and long-term job retention and/or creation benefits; and
5. **Comprehensive Project Bonus (5 bonus points):** projects that achieve more comprehensive energy savings using a blend of measures to capture all or a significant portion of the cost-effective energy efficiency opportunities

The following subsections provide detailed descriptions of the five award criteria.

4.2 Energy Savings/ Kilowatt Hour Reductions (40 points)

Applications will be scored on the amount of energy savings and first year energy savings per dollar invested. Applicants should describe projected annual and lifetime savings resulting directly from implementation of the proposed project. Applications must include a description of the proposed measurement and verification (M&V) plan to create reliable and verifiable ex post quantifications of project impacts. Applicants should provide sufficient data for the technical review committee to recreate the analysis used to calculate projected savings.

For existing equipment, the applicant must estimate and justify the reduction in kWh consumption between the useful life of the existing equipment and the proposed new measures. For new facilities, the proposal will be scored on the difference between the kWh that would be consumed through use of industry standard equipment or processes and the kWh that will be consumed in the proposed project.

4.3 Environmental Benefits (25 points)

Projects will be evaluated for improvements to environmental performance. Proposals will score up to 25 points for reductions in greenhouse gas emissions, criteria air pollutants, water pollutants, water consumption, and material waste. Please provide annual and lifetime reduction numbers, the percentage reduction, and a description of the pollutants (e.g. CO₂, NO_x, SO₂, CO₂, PM_{2.5}, VOC) along with the source or assumptions for the calculation.

4.4 Resource Adequacy and Project Readiness (20 points)

The EEIF Program will consider the evidence that the following factors are in place when scoring proposals for management and resource adequacy and readiness:

- **Site Control and Project Approval:** Demonstration of sufficient site control for project completion (such as site agreements, licenses, permitting, lease agreements, and land ownership in place) and identification of the timeline for internal and external approvals required to proceed with proposed measures;
- **Project Budget and Schedule:** Reasonableness of the applicant's budget and schedule and the ability of the project to reach completion by an agreed-upon time frame. Include budget, key milestones, timeframe for engineering, equipment purchases, installation, commissioning, etc.;

- **Costs and Financing:** Evidence of the ability to provide, through internal sources, third-party financing agreements, project partners, or other commitments, adequate capital to complete the project.
- **Project Management:** Demonstration of the company and key personnel's ability to complete the project as proposed and in the stated timeframe. If contractor is already secured, include contractor qualifications.

4.5 Job Creation (15 points)

Applications should indicate the number of direct and/or indirect jobs that will be created or retained as result of the project. Applications should detail the number of estimated job-hours for the project and indicate if any positions were created or retained as a result of the project.

4.6 Comprehensive Project Bonus (5 bonus points)

Projects that achieve more comprehensive energy savings using a blend of measures to capture all or a significant portion of the cost-effective energy efficiency opportunities at a facility will be considered for a comprehensive project bonus. This is not an opportunity to include measures that on their own are not cost-effective or proven, but rather an opportunity to present a portfolio of measures with varying degrees of cost-effectiveness.

Section 5: Program Funding

5.1 Award Opportunity

Grants awards are awarded competitively based on scoring and funding availability. Grant awards are calculated based on the cost effectiveness of the project from the total resource cost perspective and are design to address the incremental cost of the efficiency measures. The maximum grant award shall not exceed 30% of project cost and the maximum award will not likely exceed \$500,000.

5.2 Award Limitations

There is a \$1,000,000 limit of grant funding in the aggregate to entities that are part of an affiliated group of companies under common ownership or control. By way of example, a parent and subsidiary or sister entities with a common owner would not be eligible to receive in excess of \$1,000,000 in total project awards.

Section 6: Application Process

The EEIF Project Application is available on our website at: <http://www.dnrec.delaware.gov/energy/information/otherinfo/Pages/EnergyEfficiencyInvestmentFund.aspx>.

Applicants submitting project applications will fill out the **Delaware Energy Efficiency Investment Fund Part A- Project Funding Application**. All sections must be completed for the grant application to be accepted. Applicants should include any additional documentation as attachments.

Submit the application by email to cara.koepf@state.de.us or send an electronic version by disc or USB drive to our address at the Division of Energy and Climate: 1203 College Park Drive, Suite 101, Dover, DE 19904.

6.1 Application Timeline and Submissions

Applications will be accepted until January 31, 2014. Applications submitted prior to the deadline will be reviewed for eligibility and completeness, and applicants with incomplete applications will be given an opportunity to provide additional information at the grant manager's discretion. All applications will be reviewed after the deadline. Notification of the review schedule will be given to applicants shortly after the deadline.

DE&C may use internal staff, staff of other agencies, private consultants, industry experts or other designated representatives to evaluate the technical and economic aspects of the applications. The program reserves the right to request more information and/or to modify applicant claims of kWh savings based on independent engineering analysis. The EEIF program can disqualify a proposal if it finds that there is a reasonable likelihood that the measure will not achieve the savings claimed or if a proposal fails to demonstrate sufficient experience, planning, and resources needed to execute a successful project.

6.2 Awards

Applications and incentives are reviewed and approved by a review committee. An initial review will be conducted to confirm eligibility and to evaluate energy savings potential. Applications are then brought to the review committee for a final review and scoring. Award letters are sent by mail and email. Grantees will sign a grant contract with DNREC for the grant funds, and the grant is paid after project completion.

6.3 Reporting

Grantees must submit a brief close out report along with their grant invoicing at the end of the project completion. The report includes verification of project installation and ex post energy savings measurements, if applicable. Grantees will receive instructions with their grant contract.

Grant recipients are expected to use ENERGY STAR's Portfolio Manager to report both the building's pre-retrofit Energy Performance Rating and an estimated post-retrofit Energy Performance Rating. Portfolio Manager is available at: http://www.energystar.gov/index.cfm?c=evaluate_performance.bus_portfoliomanager.